



General Assembly

**Substitute Bill No. 5733**

January Session, 2015



**AN ACT AUTHORIZING THE STATE TREASURER TO DIVEST FUNDS  
FROM FOSSIL FUEL COMPANIES.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1       Section 1. (NEW) (*Effective October 1, 2015*) (a) For the purposes of  
2       this section:

3       (1) "Company" means any corporation, utility, partnership, joint  
4       venture, franchisor, franchisee, trust, entity investment vehicle,  
5       financial institution or other entity or business association, including  
6       all wholly-owned subsidiaries, majority-owned subsidiaries, parent  
7       companies or affiliates of such entities or business associations, that  
8       exist for the purpose of making profit;

9       (2) "Fossil fuel company" means any company that is involved in the  
10      exploration and production of fuel that is formed from plant or animal  
11      remains, including coal, oil or natural gas; and

12      (3) "Investment" means the commitment of state pension funds or  
13      other assets to a company through an actively managed investment  
14      account that holds publicly traded equities. "Investment" does not  
15      include an investment in a passive index fund or a private commingled  
16      fund in which state funds are invested.

17      (b) The State Treasurer shall review the major investments of the

18 state for the purpose of determining the extent to which state funds are  
19 invested in fossil fuel companies. Whenever feasible and consistent  
20 with the fiduciary duties of the Treasurer, the Treasurer shall  
21 encourage fossil fuel companies in which state funds are invested to  
22 take actions to reduce environmental harm and preserve the  
23 sustainability of such companies.

24 (c) The Treasurer may divest, decide to not further invest state  
25 funds or to not enter into any future investment in any fossil fuel  
26 company. In the event that the Treasurer determines that divestment  
27 of state funds from a fossil fuel company is warranted, the Treasurer  
28 shall give notice of such determination to such company.

29 (d) The Treasurer shall, at least once per fiscal year, provide reports  
30 to the Investment Advisory Council on actions taken by the Treasurer  
31 pursuant to the provisions of this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2015	New section

**ENV**      *Joint Favorable Subst.*